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CIA

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24 June 1952

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT: Establishment of OTS

Informal Comments:

1. I see no need for paragraphs 1.1 and 1.2. Quarters and T/O are provided for in general Agency procedures, and special space and facilities should be either budgeted or brought up as projects.

2. I think paragraph 2.0 is very broadly worded and would permit a claim to responsibility for all sorts of activities which I believe are not contemplated. Thus, paragraph 2.0 might better be worded as follows:

"a. To assure provision of new devices, equipment, and operational techniques required to support the special needs of CIA operations.

"b. To assure appropriate modification and improvement of existing devices, equipment, and operational techniques for the same purpose."

c. (Should this be limited to transmission devices except those in the electronics field, i.e., is COMMO still going to do its own research?)

d. This is o.k.

e. Might well be limited to preparation of specifications for equipment within the peculiar field of OTS.

f. This is o.k.

g. Might be limited to acquisition through established channels.

h. Is not quite clear and might be better left to specific projects.

3. Paragraph 3.0 is also pretty broad. Thus subparagraph c. of paragraph 3.1 might be better worded as follows:

"c. To assure construction, testing and engineering evaluation of prototype devices, processes and methods through appropriate channels."

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Subparagraph d. is fairly broad and might permit the expansion in the collection field which would be unwarranted. It might be appropriate to have the sentence begin "Assembled by established means, direct or indirect, etc." E. does not appear to be necessary. 3.2 does not seem to be needed in a regulation of this sort, and, in any case, it would appear that DD/A should have more than a mere report of expenditures.

4. 4.1 a. and b. do not appear to be necessary at all. C. does not appear to be necessary, but there is no objection. D. would appear subject to budget control, and therefore there is no objection. E. should be modified to read as follows:

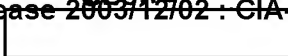
"e. To secure through established channels and uniform Agency policies the necessary facilities, personnel studies, prototype devices and equivalent development of processes and methods from Government agencies, industries, academic institutions, business and professional organizations and from use of individuals and consultants."

F. I object to. At most they should be allowed to recommend their own contractors, but it should be made clear that they could make no commitments to them. Naturally they would normally choose their own consultants. That appears to go along with paragraph g. which seems unnecessary and improper inasmuch as while they may select, the employment should be through normal channels. H. should reflect that their liaison is subject to the overall liaison controls of the Agency. By and large, I believe paragraph 4 is quite unnecessary.

5. Paragraph 5.1 would not be basically objectionable if it applied to an employee of the Agency. If there is a question of conflict of interest, however, I believe the whole paragraph with its subsections merely gives lip service to the conflict of interest rule and could easily be interpreted to be in violation of that policy, although I believe it is not within the criminal statute or conflict of interest. I would recommend that that whole paragraph be reduced to a statement that the Research Chairman may be appointed by the DCI from within or without the Agency and shall be the senior adviser to DD/P and DCI on all matters arising out of the OTS Research and Development Mission. There should be no requirement that administrative matters require his concurrence nor should he be empowered to form a board or take any other administrative action. Subparagraph c. is unclear, but as senior adviser he can certainly make presentations on behalf of OTS within the Agency. I believe the board should be formed by the DD/P. Obviously he will have the advice of the chairman. Consistent changes should be made in 5.2. Thus, subparagraph 5.2 e. is specific approval of the chairman should not be required on an administrative matter.

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6. In summation, I think this is an unduly long, complicated and repetitious paper which tends to emphasize the conflict of interest problem rather than simplify it. It also complicates <sup>responsible</sup> ~~competence~~ in the procurement field. I am therefore inclined not to go along with it at this time.

LAWRENCE R. HOUSTON

OGC/LRH:kr

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